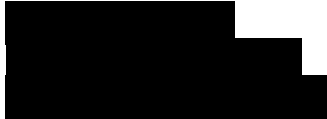




**LABORERS' AND RETIREMENT BOARD EMPLOYEES'
ANNUITY AND BENEFIT FUND OF CHICAGO**

August 6, 2019



Office No. 

**Notice Regarding Health Insurance Premium Subsidies
No Action Is Required By You At This Time**

Dear Annuitant:

As you may recall, certain named plaintiffs filed a lawsuit in 2013 against the City and the four City of Chicago Annuity and Benefit funds, claiming a right to lifetime subsidized healthcare coverage (*Underwood, et al., v. City of Chicago, et al.*, 13 CH 17450, referred to throughout this correspondence as the “*Underwood* Litigation”). Although the *Underwood* Litigation is ongoing, the Circuit Court recently ordered that all eligible City of Chicago employee annuitants (both current and future employee annuitants, but not spousal or child annuitants) of Laborers’ and Retirement Board Employees’ Annuity and Benefit Fund of Chicago (the “Fund”) are entitled to receive a health insurance premium subsidy of \$25 per month from the Fund, representing a partial reimbursement for healthcare costs, for each month after December 31, 2016 in which they meet the following eligibility requirements:

1. Annuitant must have retired on or after August 23, 1989;
2. Annuitant must have been hired prior to April 4, 2003;
3. Annuitant must have at least 15 years of City of Chicago service;
4. Annuitant must be 65 years old or older; and
5. Annuitant must have either:
 - a. participated in a group healthcare plan for which the Fund offers to deduct health insurance premiums from monthly annuities in accordance with the 1983 and 1985 amendments to the Illinois Pension Code Statutes (currently either the Blue Cross/Blue Shield plans sponsored by the City of Chicago or the Aetna plans sponsored by the Labor Benefits Association);

OR

- b. for the period between January 1, 2017 and December 31, 2019, participated in any health insurance plan and paid their healthcare insurance coverage themselves, either through an account on which the annuitant is named or an account established for the benefit of the annuitant.

The Fund's records indicate that you are entitled to the subsidy because you are an employee annuitant hired prior to April 4, 2003 who has achieved 15 years or more of service, and that you were age 65 or older during the time-period of January 1, 2017 to the present.

Based on the Fund's records, it is our understanding that you currently participate in either the Blue Cross/Blue Shield group healthcare plan or the Aetna group healthcare plan and the Fund deducts or offers to deduct your healthcare premiums out of your monthly annuity check. Fund records also indicate that you participated in such group healthcare plan during all or a part of the time-period of January 1, 2017 to the present. As such, you are eligible to receive the subsidy payments for the period of January 1, 2017 through December 31, 2019, for the time-periods you participated in those group plans. Please note that the Fund will process your retroactive subsidy payments through August 2019 in your September 1, 2019 monthly annuity payment and, starting with your September 2019 annuity payment, adjust your monthly annuity by \$25 each month thereafter to account for the subsidy payment until December 31, 2019, pursuant to the Circuit Court's order. Please note that if you fail to meet the eligibility requirements at any point for the remainder of 2019, please notify the Fund, as you will not be eligible to receive the subsidy for that time-period.

Subsidy Eligibility after December 31, 2019

The Circuit Court held that in order to continue to receive the monthly subsidy of \$25 after December 31, 2019, you must participate in a group health insurance plan for which the Fund offers to deduct your healthcare premium from your monthly annuity benefit.

Attorneys' Fees: Please note that Plaintiffs' counsel KrislovLaw has asked the Circuit Court to award attorneys' fees from the 2017-2019 subsidies, so the actual amounts paid to eligible annuitants may be reduced by attorneys' fees, if approved by the Circuit Court.

Please consult with your tax advisor regarding potential tax or other consequences relating to the receipt of any health care premium subsidy payments.

If you have any questions about the contents of this letter, please contact the Fund's office at 312-236-2065. The Circuit Court also directed us to notify you that you may contact Counsel for the named Plaintiffs in the *Underwood* litigation, KrislovLaw, at Help@krislovlaw.com or 312-606-0500.

Sincerely,



Michael Walsh
Executive Director & CIO